



AMERICAN RECOVERY AND REINVESTMENT (FEDERAL STIMULUS) ACT OF 2009

EDUCATION (SECTION E)

February 27, 2009

Agency/Function	Description	Conditions on the Money?	How Distributed?	How Much?	Need to be Appropriated?	Issues/Comments/Legislative Decision Points
OPI/Title 1-A Grants to States (ESEA)	Education of disadvantaged children for services to low achieving K-12 students	<p>Used for purposes authorized in Title I-A of the ESEA. Maintenance of effort: School districts must spend not less than 90 percent from state and local funds when comparing the previous two years (FY 2008 compared with FY 2007)</p> <p>OPI must report to Dept of Ed by 3/31/2010 a school by school by listing of per-pupil expenditures from state and local sources during 2008-2009</p>	To school districts by formula grant based upon the FY 2008 current allocation of Title 1-A grants ½ on targeted grant formula component and ½ on EFIC formula	<p>Amount to Montana:</p> <p>\$34.65 million</p> <p>Source: OPI</p>	Yes	<p>Funds based on populations of low-income families in school district, 27 percent of Montana school districts would not receive funds,</p> <p>Funds would enhance current federal appropriations, state support would remain the same, general fund offsets are not available</p>

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		Supplement but not supplant requirement for local districts states they shall not replace state or local funds with federal funds from this source				
OPI/Title 1-A School Improvement Grants (ESEA)	Supplementary funds for school improvement for schools failing to make annual yearly progress	95 percent to local school districts, Maintenance of effort Supplement but not supplant	States apply for grants	Amount to Montana: \$9.363 million Source: OPI	Yes	Funds based on populations of low-income families in school district, 27 percent of Montana school districts would not receive funds,
OPI/Education Technology (ESEA Title II-D)	Increase access to educational technology, support the integration of technology into instruction, enhance technological literacy and support technology-related professional development of teachers	50 percent by formula, 50 percent competitively, maintenance of effort requirements Supplement but not supplant	To school districts in proportion to Title IA grants	Amount to Montana: \$3.145 million Source: OPI	Yes	Funds based on populations of low-income families in school district, 27 percent of Montana school districts would not receive funds,
OPI/Fund for the Improvement of Education (ESEA Title V-D)	Innovative K-12 educational activities.		Competitively awarded at federal level	Unknown	No	
OPI/Impact Aid Section 8007: Construction (ESEA Title VIII)	To compensate school districts for substantial and continuing financial burden resulting from federal	Construction and upgrading facilities with high percentages of children living on Indian lands	To school districts by formula and competitively awarded grants	Unknown	No	

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	activities					
OPI/IDEA, Part B and Part C	Special education and related services for children with disabilities for school age children and preschool children with disabilities	Uses allowable under IDEA, Part B, maintenance of effort state can't drop below previous year, local education agencies must not drop below the higher of state and local funding or local funding however at the local level the funding level cannot drop below 50 percent of the increase in the Part B increases received supplement not supplant requirements maintain funding level for general education and don't replace general education funding with IDEA	To school districts by formula based on the number of children requiring special education within the district	Amount to Montana: \$36,708 million Source: OPI	Yes	Increases federal portion of special education costs in school districts to 26.3 % of the national average per-pupil expenditure in H.R. 1 in FFY 2009 and 26.8 percent in FFY 2010. S. 336 is estimated to be 37.6 percent in FFY 2009. Montana provides additional funding within the direct state aid component of the formula.
OPI/IDEA, Part C	Special education and related services to serve infants and toddlers with disabilities	Uses allowable under IDEA, Part C, elective at state level not required	To school districts by formula based on the number of children requiring special education	Amount to Montana: \$764,000 Source: OPI	Yes	
OPI/McKinney-Vento	To provide	Competitive basis for	To states	Amount to	Yes	

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Homeless Assistance	education access for homeless children and youth	school districts with homeless students or formula based on the homeless students in local education agency, determination of OPI	based on formula of number of homeless student in FY 2008	Montana: \$224,000 Source: OPI		
MUS/Pell Grants	<p>Grants made available to low-income undergraduate students to help offset their costs associated with obtaining a postsecondary education</p> <p>Pell Grants are the foundation of a student's financial aid package because all other forms of federal student aid are awarded after the Pell Grant award amount has been determined</p>		To students, need-based	Est. Amount to Montana \$22.9 million (U.S. Dept. of Education estimate)	No	Funds would enhance current federal appropriation.
MUS/Work-Study Program	Need-based federal student aid program that provides		To institutions of higher education,	Est. Amount to Montana \$654,121	No	Funds would enhance current federal appropriation. Tribal Community Colleges participate in this program.

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	undergraduate, graduate, and professional students the opportunity for paid employment		based upon existing distribution formulas	(U.S. Dept. of Education estimate)		
Teacher Quality Partnership Grant Programs	Competitive grants for improving teacher education programs, strengthening teacher recruitment efforts, and providing training for prospective teachers		Competitive grant; state must apply	Conference agreement: \$100.0 million total federal Est. Amount to Montana not available	Yes	OCHE currently receives grants from this federal program. These federal funds are appropriated in HB 2 and are budgeted in Program 03-Improving Teacher Quality.
Institute for Education Sciences	Design, development, and implement statewide longitudinal data systems to enable states to use, manage, and analyze individual student data in ways consistent with the ESEA. The data systems could include data systems that contain postsecondary and workforce information.		Competitive grants to state higher education agencies	Conference agreement: \$250 million total federal Est. Amount to Montana not available	Yes	

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Governor's Office/OPI/Higher Ed/State Fiscal Stabilization Fund	<p>Title XIV – State Fiscal Stabilization Fund</p> <p>The State Fiscal Stabilization Fund is provided for necessary expenses and is administered by the Department of Education. The funds are granted to the Governor.</p> <p>The funds are intended to mitigate state revenue decreases and prevent service cutbacks in education and other key services.</p> <p>EDUCATION FUND - - Most of the State Fiscal Stabilization Fund, 81.8 percent, must be spent on primary, secondary, and postsecondary education.</p> <p>OTHER GOVERNMENT SERVICES -- The</p>	<p>USE OF FUNDS BY LOCAL EDUCATIONAL AGENCIES (LEA) Funds may be used for</p> <p>1a. Any activity authorized by the Elementary and Secondary Education Act of 1965 (ESEA), the Individuals with Disabilities Education Act (IDEA), the Adult and Family Literacy Act, or the Carl D. Perkins Career and Technical Education Act of 2006 (the Perkins Act); or</p> <p>1b. Modernization, renovation, or repair of public school facilities</p> <p>Funds may not be used for:</p> <p>1. Payment of maintenance costs</p> <p>2. Stadiums or other similar facilities for which admission is charged to the</p>	<p>EDUCATION FUND – The Education Fund must first be used to:</p> <p>1a. Provide funds through the primary K-12 funding formula needed to restore, in each of FY's 2009, 2010, and 2011, the level of state support provided to the greater of FY 2008 or FY 2009;</p> <p>1b. Allow state formulae increases to support K-12 education for FYs 2010 and 2011 to be implemented</p> <p>1c. Allow funding for</p>	<p>Amount to Montana: Total State Fiscal Stabilization Fund \$148,689,792</p> <p>EDUCATION FUND -- \$121,628,250</p> <p>OTHER GOVERNMENT SERVICES -- \$27,061,542</p> <p>(Source: U.S. Department of Education)</p>	<p>Yes, both the Education Fund and the Other Government Services Fund require an appropriation</p>	<ol style="list-style-type: none"> 1. The Education Fund appears to be available to fund K-12 budget increases for FY 2010 and FY 2011. Funding from the stimulus package could reduce general fund costs on an OTO basis during the biennium. General fund freed up in K-12 education could be used for one-time only projects such as books, equipment, or modernization, renovation, or repair of K-12 school buildings. 2. The Education Fund appears to be available to fund Higher Education in the 2011 biennium. Funding from the stimulus package could reduce general fund costs on an OTO basis during the biennium. General fund freed up could be used to mitigate tuition increases on an OTO basis in the 2011 biennium by funding a College Affordability Plan for the 2011 biennium. It could also be used for modernization, renovation, or repair of higher education facilities. 3. Any funds in the Education Fund not required for K-12 or Higher Education increases is then distributed to those school districts receiving Title 1 funds and used for Title I purposes, IDEA, Carl Perkins or Adult and Family Literacy. 27 percent of Mt school districts would not receive distributions 4. Other Government Services Fund must be used for public safety and other government services, which may include education assistance, and for modernization, renovation, or repair of public school facilities and institutions of higher education facilities.

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	<p>remaining 18.2 percent of the State Fiscal Stabilization Fund must be used for public safety and other government services, which may include education assistance, and for modernization, renovation, or repair of public school facilities and institutions of higher education facilities.</p>	<p>general public 3. Purchase or upgrade of vehicles 4. Improvement of stand alone facilities whose purpose is not the education of children, such as administration offices</p> <p>USE OF FUNDS BY INSTITUTIONS OF HIGHER EDUCATION</p> <p>Education Funds must be used for: 1. Educational and general expenditures, and in such a way as to mitigate in-state student tuition increases. 2. Modernization, renovation, or repair of higher education facilities primarily used for instruction, research, or student housing</p> <p>Education Funds may not be used for: 1. To increase endowments 2. Maintenance of</p>	<p>phasing in state equity and adequacy adjustments, if such increases were enacted pursuant to state law prior to 10/1/2008</p> <p>2. Provide, in each of FYs 2009, 2010, and 2011, the amount of funds to public institutions of higher education in the state that is needed to restore state support to the greater of FY 2008 or FY 2009</p> <p>SHORTFALL -- If the Education Fund is insufficient to support K-12 and higher</p>			

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		<p>systems, equipment, or facilities</p> <p>3. Modernization, renovation, or repair of stadiums or similar facilities for which admission is charged to the general public</p> <p>4. Modernization, renovation, or repair of facilities used for sectarian instruction or religious worship</p>	<p>education as described above, the Governor shall allocate those funds in proportion to the relative shortfall in state support for the education sectors</p> <p>EDUCATION FUNDS</p> <p>REMAINING – Any Education Funds remaining after the above distributions are distributed to K-12 districts based on ESEA Title I distributions</p> <p>OTHER GOVERNMENT SERVICES FUND–</p>			
		<p>MAINTENANCE OF EFFORT REQUIRED</p> <p>States must maintain FY 2006 fiscal effort in FY 2009, 2010, and 2011 for both K-12 and higher education</p>				
		<p>The state must provide assurances that it will take actions to improve teacher effectiveness and comply with ESEA in order to address inequities in the distribution of highly qualified</p>				

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		<p>teachers</p> <p>State must establish a longitudinal data system that includes the elements described in the America COMPETES Act</p> <p>States must provide assurances that it is working towards improving academic content and student academic achievement standards and assessments</p> <p>No funds may be used to provide financial assistance to students to attend private elementary or secondary schools</p> <p>Reports Required</p> <ul style="list-style-type: none"> ○ How funds were used ○ How funds were distributed ○ # of jobs created or saved ○ Tax increases averted 	<p>These funds may be used for public safety and other government services, which may include education.</p> <p>The funds are allocated to the Governor; however, the Governor must obtain a legislative appropriation in order to spend the money.</p>			

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		<ul style="list-style-type: none">○ State's progress in certain educational areas○ Tuition and fee increases for resident students imposed by public institutions of higher education and a description of any actions taken by the State to limit those increases○ Resident student enrollment at institutions of higher education, including those eligible for Pell Grants or other need-based assistance○ A description of each modernization, renovation, and repair project funded, which shall include the amounts awarded and project costs				